

**commission
on the
ORGANIZATION
of the
government
FOR
the conduct
of
FOREIGN
POLICY**



June, 1975

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COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT
FOR THE CONDUCT OF FOREIGN POLICY

2025 M STREET, N.W.
WASHINGTON, D.C. 20506

June 27, 1975

TO: The President
The President pro tempore of the Senate
The Speaker of the House of Representatives

On behalf of my colleagues and myself I submit herewith the Report of the Commission on the Organization of the Government for the Conduct of Foreign Policy.

The Commission was established by Public Law 92-352 to submit findings and recommendations in order to provide a more effective system for the formulation and implementation of the nation's foreign policy. A copy of the law is annexed to the Report.

The findings and recommendations of the Commission are presented in a single volume with a Summary at the beginning. These findings and recommendations are those of the members of the Commission. Supplementary views of individual Commissioners are attached to the Report. The detailed research and analysis of scholars and experienced practitioners which were developed in the course of the Commission's work are set forth in seven volumes of appendices. These studies should provide a solid base for further study.

We believe that the report will be of value in considering future changes in the organization of the government for the conduct of foreign policy.

We acknowledge gratefully the genuine cooperation the Commission has received from the many agencies of government, and individuals, from whom it has sought information and counsel.

The members of the Commission deem it an honor and a pleasure to have had the opportunity to serve in this challenging and important task.

Respectfully,

Robert D. Murphy

Robert D. Murphy
Chairman

MEMBERS OF THE COMMISSION

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|---|--|
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<i>The Vice President</i> | |

* Resigned December 1973; succeeded by Peter H. B. Frelinghuysen, January 1974.

** Resigned November 1974; succeeded by Nelson A. Rockefeller, December 1974.

*** Resigned January 1975; succeeded by William S. Broomfield, March 1975.

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useful, but the major institution NSCIC, has not functioned adequately to correct this situation. There was no agreement within the Commission about how to handle NSCIC. Some favored making the President's principal intelligence advisor the NSCIC, on the basis of seniority and the incentive to bring to the NSCIC, on a regular basis, as well as an intimate knowledge of the intelligence community. Others favored making the National Security Adviser as Chairperson, representative of the President on all matters of intelligence, to be an important intelligence user, to ensure the accuracy and timeliness of the intelligence community's products.

NSCIC should be used as the principal forum for the President, of the differing perspectives of the various producers, and should meet frequently.

3. To meet the needs of decision-makers, NSCIC should address the key questions; it must ensure analytic competence and integrity. To ensure that the Commission makes recommendations that are

NSCIC involves the more effective utilization of Foreign Service reporting. A series of studies on the focus and improving the quality of intelligence appear in Chapter 9.

NSCIC economic intelligence. As the economic situation changes, it is crucial that accurate and far-reaching demand and supply problems, emerging market opportunities, and international trade relations to foreign policy decision-makers. NSCIC which frequently requires enormous resources. Most economic issues do not depend on their understanding lies in highly accurate and reliable data. Commendably, CIA's capability for economic analysis in recent years—this is not a field in which CIA, or NSCIC, has a strong comparative advantage. NSCIC on in large-scale data-gathering is

expensive and wasteful, competition in analysis is relatively cheap and highly desirable. We recommend, therefore, that

while the intelligence agencies should retain and exercise their improved competence in the analysis of international economic issues, the Departments of State, Treasury, Commerce, and Agriculture, and the Council of Economic Advisors must maintain similar capabilities focused on the analysis of issues involving their own responsibilities. We believe that, in all four of the Departments, those capabilities should be significantly strengthened.

Thirdly, we propose a modification to the NIO system. Prior to 1973, National Intelligence Estimates (NIEs), the formal expressions of the intelligence community's best judgment on major issues, were produced by a Board of National Estimates. But that collegial process tended to produce better estimates of what the community could agree upon than what policymakers needed to know. The Board has been replaced by some eleven individual National Intelligence Officers (NIOs), each charged with insuring the responsiveness of NIEs to policy needs in particular substantive areas. NIEs are now drafted by individual experts selected by the NIO from various intelligence agencies. Predictably, the gains in responsiveness of estimates have been somewhat offset by problems of reliability, and the practice of requiring officers already bearing other responsibilities to undertake the production of NIEs has created unnecessary burdens. Most important, NIEs appear to have little impact on policymakers today, in large part because key consumers prefer to base their own estimates of future developments on competing sources of information and analysis. NIEs have lately begun to reflect more clearly differences in view within the intelligence community, but we believe that this process should be intensified. For these reasons we propose that

a small staff of the highest quality, drawn from within and without the intelligence community and responsible for the drafting and review of NIEs, should be established. This staff, reporting directly to the DFI, should be charged with reporting clearly any important differences in the views of concerned agencies, and the reasons for such differences.

Finally, we note that, while investing very large sums in sophisticated technical means of intelligence collection, the community has tended to slight the contribution that only human sources can make. On many subjects, the completeness and accuracy of intelligence estimates depend on factors of intention and motivation that only human sources can provide. We believe that efforts to maintain and utilize such sources should be enlarged and strengthened. These efforts should include improved Foreign Service reporting (elsewhere discussed),